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State Treasurer Richard Mourdock Repudiates Accusations Made By Gubernatorial Candidate Jill Long-Thompson Regarding Major Moves Investments

State of Indiana has sound investment policy in place

INDIANAPOLIS (October 15, 2008) – At a press conference today State Treasurer Richard Mourdock corrected the factual inaccuracies contained in comments recently made by Gubernatorial Candidate Jill Long Thompson regarding the investing of the Major Move proceeds.

“It saddens me to hear Ms. Long-Thompson make statements and comments about the Major Moves investments without having the proper facts,” explained Treasurer Mourdock. “I think she did a disservice to her campaign and the taxpayers.”

Under I.C. 8-14-14 and I.C. 8-14-5, the Treasurer of State is responsible for investing the funds of both the Major Moves Construction Fund and the Next Generation Trust Fund and not the Office of the Governor. During a Gubernatorial debate Tuesday evening, Ms. Long-Thompson incorrectly stated that the Governor had that authority.

Accusations and claims made that a third of the Major Moves proceeds are invested in risky investments, deemed “junk bonds”, are misleading and simply not true. Major Moves funds are invested entirely in fixed income securities.

As a general rule, investment portfolios balance potential risk vs. reward -- the higher the risk, the higher the potential reward. As with all public investments, the approach is to accept lower returns by taking lower risk. The Major Moves investments are crafted in such a way that the highest risk within the portfolio is still at the lower level of risk accepted in a normal pension portfolio or individual 401K mutual fund.

Of the original \$3.1 billion dollars approximately 20% was invested in instruments of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, which are now backed by the full faith and credit of the federal government. This federal backing makes these investments some of the safest in the current market.

To date, the combined Major Moves portfolios have returned 4.49%